

# ON TO 2050 COMPREHENSIVE REGIONAL PLAN

Draft  
for public  
comment

## GOVERNANCE

This PDF only contains text for the chapter named above. Please see [www.cmap.illinois.gov/onto2050](http://www.cmap.illinois.gov/onto2050) for the full draft plan text.

This draft document will be available for public comment from June 15 to August 14, 2018. Submit comments at [www.cmap.illinois.gov](http://www.cmap.illinois.gov) or by email using the subject line "ON TO 2050 Public Comment" to [ONTO2050@cmap.illinois.gov](mailto:ONTO2050@cmap.illinois.gov). Or comment by mail to Chicago Metropolitan Agency for Planning, Attention: ON TO 2050 Public Comment, 233 South Wacker Drive, Suite 800, Chicago IL 60606, or by phone to 312-454-0400.

An online version of the ON TO 2050 Draft for Public Comment as well as a downloadable PDF of the plan and its technical appendices can be found at [www.cmap.illinois.gov/onto2050](http://www.cmap.illinois.gov/onto2050). Design will change for the final release of ON TO 2050 in October 2018.

# GOVERNANCE

## Leading effectively together

The ON TO 2050 vision of a prosperous, inclusive region will require renewed collaboration and focused investment for addressing today's challenges and adapting to tomorrow's.

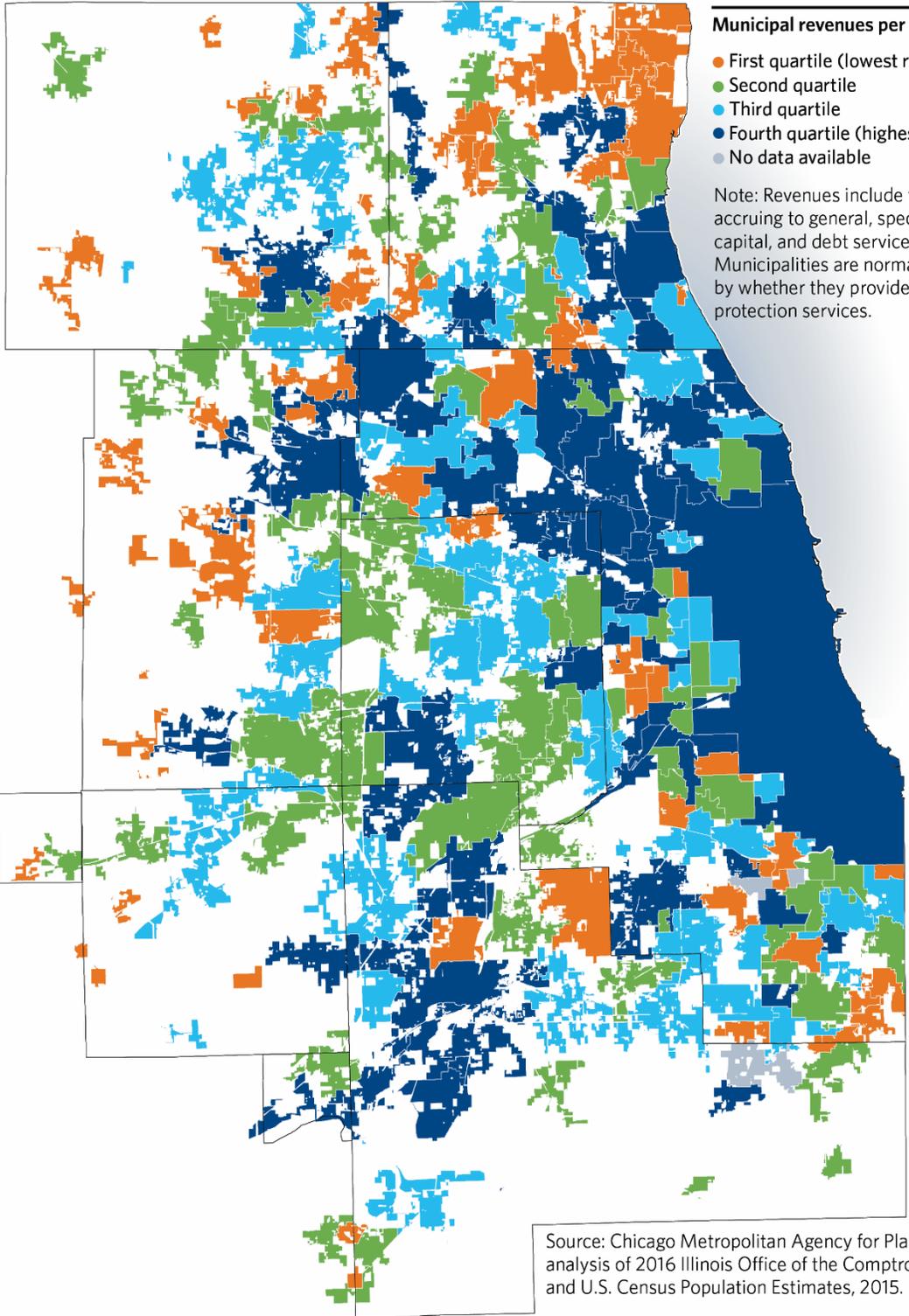
Each level of government has a role to play, from funding and assistance by the State of Illinois and counties, to increased coordination by transportation and stormwater management entities. Local governments are already taking steps to improve efficiency and share resources, often uniting to pursue economic development and other mutual objectives. For our region to thrive, these efforts should expand to include coordination across more issues and jurisdictions.

Implementing ON TO 2050 will depend on collaboration across jurisdictional lines, highly efficient investment based on measurable outcomes, and a focus on helping all units of local government build the capacity necessary to provide basic services and implement their plans.

State funding plays a crucial -- yet quite uncertain -- role in the region's ability to invest in infrastructure and support local government services. A more modern tax system, a long-term plan to pay for obligations, and transparent, data-driven budgeting and programming can improve the state's near-term fiscal condition and long-term outlook. It can also bolster local governments, whose ability to serve the public is impeded by funding constraints.

The following map shows the differences in municipal revenues across the region. Without adequate resources, many have been forced to defer projects and eliminate staff. By working together effectively across borders, the region's governments can stretch their limited funds to provide the services and infrastructure that residents and businesses require. This can include sharing or consolidating services, as well as consolidating governments in some cases, to improve public services and increase efficiencies.





State and local governments -- along with transit agencies -- need the fiscal, technical, and administrative capacity to function effectively. With proper funding and support, the State of Illinois and local governments will be able to implement performance-based decision making, improve asset management, and leverage new technology for better services and infrastructure.

This chapter describes recommendations to promote:

1. **Inclusive Growth** through tax policy reforms and technical assistance to communities.
2. **Resilience** through improved long-term finances and increased collaboration across jurisdictions.
3. **Prioritized Investment** in services and infrastructure through data-driven decision making.

## Collaboration at all levels of government

For northeastern Illinois to fully achieve its potential, leaders must work together more consistently and effectively. Among the region's most pressing needs are to improve infrastructure and promote economic growth, both of which have been stagnant for years. Regional leaders also must come together to develop innovative and broad solutions to ensuring inclusive growth and building resilience at the local and regional levels. Disjointed, siloed approaches hinder our ability to prosper. Resource and funding constraints across all levels of government require new approaches, from sharing and consolidation of local services to collaboration by transportation agencies for maintaining the system and improving its reliability.

### Use collaborative leadership to address regional challenges

Northeastern Illinois is a global center of commerce with many powerful assets, but our region must find solutions for numerous challenges to ensure sustainable prosperity and quality of life. The region's recovery from the previous economic recession has been lackluster.<sup>212</sup> In addition, federal and state sources of funding for infrastructure and services have diminished. These trends have resulted in resource constraints for governments across metropolitan Chicago. This unstable and unsustainable fiscal situation led to inadequate support for services and infrastructure and created obstacles to long-term planning and implementation activities.<sup>213</sup>

As stated elsewhere in this chapter, overcoming constrained resources and stagnant growth will require innovative, collaborative action from the entire region. When the region's communities,

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<sup>212</sup> Chicago Metropolitan Agency for Planning, *Regional Economy and Clusters*, January 2017, <http://www.cmap.illinois.gov/documents/10180/556510/Regional+Economy+and+Clusters+snapshot.pdf/6b541861-77b0-42ad-9438-1428d1d6ea3e>

<sup>213</sup> Chicago Metropolitan Agency for Planning, "Alternative Futures: Constrained Resources," May 8, 2017, <http://www.cmap.illinois.gov/documents/10180/0/Constrained+Resources+memo/9e9557dc-cc41-4e7f-8f04-92b3363e9c0e>.



leaders, local governments, infrastructure providers, civic groups, residents, and businesses come together, they can meet these challenges and achieve beneficial outcomes. As the region's Metropolitan Planning Organization (MPO), CMAP can collaborate with and convene partners to better coordinate investments in the region and promote economic growth and opportunities for all residents. Past collaboration among regional leaders has yielded better strategies for economic growth. For example, the newly created CRGC is an independent nonprofit entity formed by Cook, DuPage, Kane, Kendall, Lake, McHenry, and Will counties and the City of Chicago as an important step to improve coordination of their respective economic development organizations.<sup>214</sup> Collaboration on infrastructure funding has attracted federal investment in projects like the Riverwalk in downtown Chicago and some elements of CREATE.<sup>215</sup>

Collaborative endeavors also require funding that can be spent to support comprehensive goals. CMAP can directly implement ON TO 2050 goals by convening partners to collaboratively administer UWP, CMAQ, TAP, STP-L, and other federal transportation funding programs for which the agency is responsible.<sup>216</sup> CMAP also provides technical assistance to local governments as well as ongoing research and new practices relevant to plan priorities, helping advance the principles of GO TO 2040 and ON TO 2050.<sup>217</sup> Yet CMAP's ability to fulfill its comprehensive planning mandate is limited because most of the agency's funding cannot be used for activities beyond transportation and certain land use issues.<sup>218</sup> Similarly, public entities addressing a range of issues, such as economic development, public health, stormwater management, or housing choice may find implementation stymied by lack of funds or restrictions on using those dollars to support comprehensive priorities.

*The following describes strategies and associated actions to implement this recommendation.*

### **Take a leadership role in implementing federal and state investments**

CMAP has a unique role in convening the region's governments, civic institutions, and nonprofit organizations. Submitting regional responses to funding opportunities, such as the Chicago Metro Metals Consortium application for TIGER funds,<sup>219</sup> can leverage regional assets,

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<sup>214</sup> Cook County, "Chicago Regional Growth Initiatives," 2013, <https://www.cookcountyil.gov/content/regional-initiatives>.

<sup>215</sup> For more information, see Chicago Metropolitan Agency for Planning, "Chicago Region to Receive Two TIGER IV Grants," June 22, 2012, [http://www.cmap.illinois.gov/updates/all/-/asset\\_publisher/UIMfSLnFfMB6/content/chicago-region-to-receive-two-tiger-iv-grants](http://www.cmap.illinois.gov/updates/all/-/asset_publisher/UIMfSLnFfMB6/content/chicago-region-to-receive-two-tiger-iv-grants); and U.S. Department of Transportation, "Riverwalk Expansion," <https://www.transportation.gov/tifia/financed-projects/riverwalk-expansion>.

<sup>216</sup> For more information, see: <http://www.cmap.illinois.gov/mobility/strategic-investment/regional-transportation-programs>.

<sup>217</sup> For more information, see <http://www.cmap.illinois.gov/programs/LTA>.

<sup>218</sup> Chicago Metropolitan Agency for Planning, Budget and Work Plan, <http://www.cmap.illinois.gov/about/budget-and-work-plan>.

<sup>219</sup> Chicago Metropolitan Agency for Planning, Chicago Metro Metal Consortium, <http://www.cmap.illinois.gov/programs/lta/cmmc>.



combine contributions from stakeholders, collaborate on shared challenges, and produce more competitive applications. In addition, CMAP has been a leader in guiding implementation of federal and state funding programs and regionally significant projects, as with recent enhancement of STP-L. A recent agreement between the councils of mayors, the City of Chicago, and CMAP has yielded important changes to STP-L, establishing performance-based outcomes to program the local dollars and a new shared fund for accomplishing transformational local projects that implement regional priorities like an enhanced freight network or improved transportation for economically disconnected residents.<sup>220</sup>

*CMAP* should continue to lead in pursuing federal and state investments where appropriate.

*CMAP* should collaborate with regional partners for more efficient, effective, and cooperative programming decisions.

*CMAP and partners* should develop a process to develop coordinate and prioritize responses to federal funding opportunities such as INFRA and TIGER/BUILD.

### ***Support development of an entity with the mandate and resources to implement a regional economic growth strategy***

Overcoming metropolitan Chicago's prolonged slow growth and uneven access to opportunity will require a shared vision for the regional economy. Initial success under the CRGC can help demonstrate the benefits of collaboration among the region's political and economic development leaders. With sustained private sector engagement and institutional support, CRGC can play a critical role in focusing economic development activities and marshaling resources to address issues that cut across the region's diverse industries and communities. Such initiatives include improving freight movement in the region, integrating data and information systems for rigorous market analysis, and assembling support for prioritized, multijurisdictional infrastructure investments. Regional coordination among economic development organizations (EDOs) should especially emphasize cluster-oriented strategies by convening business leaders and partners like anchor institutions to address shared, sector-specific challenges. This strategy also appears in the *Prosperity* chapter, under the recommendation to *Pursue regional economic development*.

*CMAP and partners* should continue to support CRGC's initial endeavors by assisting in convening regional stakeholders, providing research and data, and securing financial support, as appropriate.

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<sup>220</sup> Memorandum of agreement between The City of Chicago and the CMAP Council of Mayors regarding the distribution and active program management of locally programmed Surface Transportation Block Grant funds under the Fixing America's Surface Transportation Act, October 11, 2017, <http://www.cmap.illinois.gov/documents/10180/127961/2017+STP+Agreement.pdf/6b800a21-59fb-b538-a1c9-fa1342765355>.



*County and municipal EDOs* should develop a shared vision for the regional economy that articulates our strongest economic assets and competitive advantages in support of regional marketing and branding. CRGC or similar entity can help to facilitate related analysis and strategy development.

*CRGC or a similar entity* should help county and municipal officials pursue shared goals across jurisdictional boundaries that complement their respective strengths and competitive advantages.

*CMAP* should continue to research and articulate the benefits of intergovernmental collaboration through responsive data and analysis on the regional economy's performance.

### ***Collaborate for inclusive growth***

Data on economic outcomes reveals stark disparities in how low income and minority populations share in regional progress. These outcomes are particularly negative for the region's black residents, who face lower incomes, higher unemployment, and longer commutes.<sup>221</sup> Yet, regions that have stronger potential for upward economic mobility -- for all residents -- are more economically successful. To meet its potential, the region's economy requires opportunities for all residents to contribute to and benefit from its growth.<sup>222</sup> By creating new pathways and systems that challenge existing inequalities, the region can place itself on a path to higher, more durable growth. Because the causes of inequality are myriad and no single solution exists, the region needs multiple, sustained initiatives to tackle the many issues that perpetuate economic inequality and impair regional prosperity.

Regional partnerships and shared goals are critical to implementing ON TO 2050's many strategies for inclusive growth. Existing initiatives such as Partnering for Prosperity show the potential for regional collaboration to decrease economic inequality.<sup>223</sup> Yet the region's inclusive growth goals will also require some actions targeted to particular communities' needs and others designed to reform and integrate activities across public and private institutions. While this strategy includes new and existing activities for CMAP, it will also require additional partners to take the lead and foster regional collaboration. For example, political, civic, and business leaders should continue developing a regional career pathway system, increase

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<sup>221</sup> Chicago Metropolitan Agency for Planning, "Economically Disconnected Area clusters in the CMAP region," January 23, 2018, [http://www.cmap.illinois.gov/updates/all/-/asset\\_publisher/UIMfSLnFfMB6/content/economically-disconnected-area-clusters-in-the-cmap-region](http://www.cmap.illinois.gov/updates/all/-/asset_publisher/UIMfSLnFfMB6/content/economically-disconnected-area-clusters-in-the-cmap-region).

<sup>222</sup> Chicago Metropolitan Agency for Planning, Inclusive Growth, July 2017, <http://www.cmap.illinois.gov/documents/10180/515753/Inclusive+Growth+strategy+paper.pdf/0f01488d-7da2-4f64-9e6a-264bb4abe537>.

<sup>223</sup> Cook County, *Partnering for Prosperity*, April 2013, <http://blog.cookcountyil.gov/economicdevelopment/wp-content/uploads/2014/10/Appendix-B-Partnering-for-Prosperty.pdf>.



investment in disinvested areas, and ensure that emergent transportation technologies support inclusive growth.

*Government, business and civic leaders, and other regional actors should develop and implement a shared vision for inclusive growth in northeastern Illinois, as well as define key metrics to track regional progress toward inclusive growth goals.*

*CMAP should establish or enhance partnerships with local, regional, and state entities across sectors in developing and implementing inclusive growth strategies for the Chicago region.*

*CMAP should continue to share its expertise and knowledge of the region and its communities within larger efforts to decrease economic inequality and promote inclusive growth.*

### **Secure funding to pursue all ON TO 2050 goals**

CMAP is mandated by the Regional Planning Act to comprehensively plan for the Chicago region, incorporating land use and transportation planning with work on housing, regional economic growth, water resource management, community development, and environmental issues. In addition, the state legislation that created CMAP included language pledging to fund the agency's operations and to match federal formula funds with state funding, which would broadly support all of CMAP's state-mandated planning activities. The goals of ON TO 2050 also will not be achieved without the work of the State of Illinois, local governments, transit agencies, civic organizations, and academic institutions. These entities also may require additional funding and new partnerships to help implement the plan.

*CMAP should seek funding opportunities to plan for water resource management, climate resilience, economic development, local capacity, and other ON TO 2050 priorities.*

*CMAP should pursue reliable access to state funds that support all of its planning work.*

*The State of Illinois, local governments, transit agencies, civic organizations, and academic institutions should pursue funding to implement ON TO 2050 goals in their work.*

### **Encourage partnerships and consolidation**

The region's governments face extensive revenue constraints, with decreasing state and federal support as well as limited willingness to raise local taxes and fees. Many communities have a backlog of infrastructure needs, or have left some staff positions vacant. In short, governments must do more with less. Sharing services, consolidating services, or consolidating governments can provide benefits, including improved capacity and resources, greater efficiency, enhanced



service quality, and cost savings.<sup>224</sup> Such partnerships can also allow communities access to professional staff and services that provide a higher quality of service than smaller governments could provide on their own. In some cases, the resultant savings can also allow local governments to fund critical staff positions.

[GRAPHIC TO COME: An illustrated graphic will show the difference between shared service, service consolidation, and local government consolidation.]

Northeastern Illinois has long had a culture of service sharing and partnership between local governments. Many governments, including counties, townships, municipalities, school districts, and special districts, have found ways to share the cost of services or purchases, or in some cases, to consolidate units of local government. Joint purchasing in particular has grown across the region as more governments understand its benefits.<sup>225</sup>

Local governments that lack the resources to analyze needs, find potential partnerships, or develop shared services can benefit from technical assistance. In 2015, for example, the Villages of Oswego and Montgomery and the United City of Yorkville worked through CMAP's LTA program to identify opportunities for service sharing and developed a new Lower Fox River Partnering Initiative, which oversees long-term cooperation among the communities and has initiated a growing number of coordinated activities, including shared staff, equipment, and service provision across multiple departments.<sup>226</sup>

When many small, adjacent jurisdictions provide the same services, the result can be higher costs and lower overall capacity. Consolidating services may produce cost savings, increase capacity or efficiency, or enhance service delivery. Although less prevalent than service sharing, successful service consolidation has been implemented in multiple service areas. For example, the six south suburban Cook County communities served by the Thorn Creek Basin Sanitary District have seen significant cost savings over an extended period by consolidating sewage treatment.<sup>227</sup> Municipalities with limited need for a certain service may save costs to hire, train, and manage qualified separate staff by contracting with a county to perform that function. To cite one example, Lake County delivers code enforcement and development review services on behalf of multiple municipalities.<sup>228</sup>

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<sup>224</sup> CMAP and MPC. *Municipal Capacity Strategy Paper*, November 2017, <http://www.cmap.illinois.gov/onto2050/strategy-papers/municipal-capacity>.

<sup>225</sup> For examples, see Suburban Purchasing Cooperative, <http://www.nwmc-cog.org/Suburban-Purchasing-Cooperative.aspx> and International City/County Management Association, Northern Illinois Municipal Partnering Initiative, <https://icma.org/documents/northern-illinois-municipal-partnering-initiative>.

<sup>226</sup> CMAP. *Lower Fox River Partnering Initiative Shared Services Study*. October 2015, <http://cmap.is/2AC2xHq>.

<sup>227</sup> Metropolitan Mayors Caucus. *Northeastern Illinois Local Government Shared Services Survey Report*, July 2015, <http://mayorscaucus.org/wp-content/uploads/2013/10/Shared-Services-Report-FINAL-1.pdf>.

<sup>228</sup> Lake County, "Shared Services Initiative," <https://www.lakecountyil.gov/2518/Shared-Services-Initiative>.



Consolidation of governments can increase communities' capacity to achieve local and regional goals. Adjacent units of government, such as two fire protection districts, may be consolidated to achieve economies of scale, merge services, or combine resources or tax base. Alternatively, vertical consolidation between overlapping units of government, such as a municipality and a special district, may also improve coordination of services, reduce administrative costs, or enhance civic participation.

Consolidation depends on support of local residents and civic leaders, as well as unique local conditions. In many cases, governments are already sharing services or engaging in joint projects. Challenges occur when governments -- and their residents and businesses -- want dissimilar service levels. Also, very different tax bases or service levels can create an increased burden for property taxpayers in one of the districts. However, careful consolidation can also provide broad benefits over the long term by reducing costs, gaining efficiencies, and freeing up resources for new expertise.

The state needs additional programs and resources to implement consolidation and service sharing. In recent years, consolidating units of government has been the subject of numerous legislative efforts and task forces.<sup>229</sup> The State of Illinois has studied local government consolidation, and the General Assembly has approved several statutory changes that would make it easier for local governments to consolidate. Yet no state programs directly fund or provide assistance for service sharing or local government consolidation. Other states around the country, such as New York, have provided technical assistance and awards to local governments to achieve cost savings and improve efficiency through cooperative agreements, mergers, consolidation, and dissolutions.<sup>230</sup>

Finally, annexation of developed, but unincorporated, areas may improve services and lower costs for them. Historical development has created a patchwork of unincorporated neighborhoods in the region's urbanized area, leaving some counties to provide these disparate developed areas with public safety and regulatory services that are typically a municipality's responsibility. The tax burden of these services is spread across all county taxpayers, regardless

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<sup>229</sup> See: Task Force on Local Government Consolidation and Unfunded Mandates, Report to the Governor, December 17, 2015, [http://www.cmap.illinois.gov/updates/all/-/asset\\_publisher/UIMfSLnFfMB6/content/local-government-consolidation-and-unfunded-mandates-task-force-report](http://www.cmap.illinois.gov/updates/all/-/asset_publisher/UIMfSLnFfMB6/content/local-government-consolidation-and-unfunded-mandates-task-force-report). Local Government Consolidation Commission, <https://rebootillinois.com/wp-content/uploads/2014/04/Local-Government-Consolidation-Commission-Final-Draft.pdf>. Chicago Metropolitan Agency for Planning, "Recent Legislative Action on Local Government Consolidation," July 2, 2014, [http://www.cmap.illinois.gov/updates/all/-/asset\\_publisher/UIMfSLnFfMB6/content/recent-legislative-action-on-local-government-consolidation](http://www.cmap.illinois.gov/updates/all/-/asset_publisher/UIMfSLnFfMB6/content/recent-legislative-action-on-local-government-consolidation) and "Local Government Consolidation and Unfunded Mandates task force report" January 8, 2016, [http://www.cmap.illinois.gov/updates/all/-/asset\\_publisher/UIMfSLnFfMB6/content/local-government-consolidation-and-unfunded-mandates-task-force-report](http://www.cmap.illinois.gov/updates/all/-/asset_publisher/UIMfSLnFfMB6/content/local-government-consolidation-and-unfunded-mandates-task-force-report).

<sup>230</sup> Chicago Metropolitan Agency for Planning, "Considerations and practices of local government consolidation," June 9, 2017 [http://www.cmap.illinois.gov/updates/all/-/asset\\_publisher/UIMfSLnFfMB6/content/considerations-and-practices-of-local-government-consolidation](http://www.cmap.illinois.gov/updates/all/-/asset_publisher/UIMfSLnFfMB6/content/considerations-and-practices-of-local-government-consolidation).



of whether they are located in unincorporated areas.<sup>231</sup> Due to the wide geographic dispersion of these unincorporated pockets, county services for unincorporated areas may cost more than what an adjacent municipality could provide. In addition, local roads in these neighborhoods are operated and maintained by small township road districts, which are designed for providing services across a spread-out, rural grid, not to neighborhoods within municipalities. Annexing these areas may be costly, as infrastructure may not connect to or meet the standards of adjacent municipalities. For example, because many of these neighborhoods are not served by municipal water and sewer systems, they require significant upgrades to existing water, sewer, and roadway infrastructure.

*The following describes strategies and associated actions to implement this recommendation.*

### **Facilitate partnerships for service sharing and consolidation**

Local governments need assistance to develop agreements for sharing or consolidating services. Facilitation efforts could include relatively informal offerings, such as forums or meetings with other communities and vendors to discuss partnership opportunities, or more formal programming, such as direct matchmaking and brokering of collaborative agreements, or assistance in developing and sharing the data needed to create partnerships.

*CMAP, MPC, counties, COGs, and other regional entities* should provide analysis and recommendations for local governments to consider the fiscal, efficiency, and other consequences of sharing or consolidating some local services for all interested communities, particularly those with lower capacity.

*CMAP, MPC, counties, COGs, and other regional entities* should partner to develop service-sharing resources, including providing guidance documents to local governments on best practices.

*CMAP, MPC, and partners* should explore forming or designating a regional entity to facilitate efforts for shared or consolidated services and for local government consolidation.

*Counties or COGs* should dedicate staff time for coordinating shared services, joint procurement, and other local government partnerships.

*Local governments* should ensure their data management practices allow for data sharing with other local governments.

*COGs or counties* should consider implementing a local government data-sharing program.

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<sup>231</sup> See research on this topic at : The Civic Federation, Unincorporated Cook County, <https://www.civicfed.org/issues/unincorporated-cook-county>.



### ***Fund exploration and implementation of service sharing and consolidation***

While the State of Illinois has created statutory processes to streamline some local government consolidation, it has not funded the practice. Several states, such as Michigan, New York, and Ohio, have pursued initiatives to promote and provide incentives for government consolidation by enacting legislation and awarding grants.<sup>232</sup> Other states have also used existing federal allowances for grants or loans, such as the IEPA's State Revolving Fund, to support engineering, rate, and consolidation studies. This tool could be helpful for local governments exploring new water management structures and systems to relieve their capacity constraints.<sup>233</sup>

Finally, local governments considering consolidation face the prospect of dissimilar service levels and/or tax bases that may result in an increased property tax burden for taxpayers located in the district with lower levels of service or a higher tax base. For initiatives that will result in long-term savings, tax credits could offset the resulting tax differential and ease concerns of property owners about tax increases.

*The State or county governments should provide funding to local governments for service sharing and consolidation feasibility studies.*

*The State should use existing federal allowances for grants or loans to enable studies of local service consolidation.*

*The State should provide tax credits for a limited period to offset property tax differentials resulting from local government consolidation.*

### ***Proactively plan to share services, staff, and procurement***

Shared services, staff, and procurement have many potential challenges or benefits, such as how existing service levels may be affected. However, local budgeting and planning processes can evaluate the consequences of opportunities for sharing or consolidating services. Developing common regulations and processes for code inspection, development review, and other functions could also facilitate the use of shared services or staff. For example, coordinating to adopt the same international building codes or creating a uniform rental registration program can create cost saving opportunities for shared code inspection staff.

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<sup>232</sup> For examples, see New York Division of Local Government Services, "Local Government Efficiency Program," <https://www.dos.ny.gov/LG/lge/index.html>, Michigan Department of Treasury, "Competitive Grant Assistance Program," [http://www.michigan.gov/treasury/0,4679,7-121-1751\\_2197\\_58826\\_62422---,00.html](http://www.michigan.gov/treasury/0,4679,7-121-1751_2197_58826_62422---,00.html), and Ohio Development Services Agency, "Ohio Local Government Innovation Council," [https://development.ohio.gov/cs/cs\\_localgovfund.htm](https://development.ohio.gov/cs/cs_localgovfund.htm).

<sup>233</sup> United States Environmental Protection Agency, "How the Drinking Water State Revolving Fund Works," <https://www.epa.gov/drinkingwatersrf/how-drinking-water-state-revolving-fund-works#tab-5>.



*Local governments* should proactively explore opportunities to share services and identify opportunities for joint procurement.

*Local governments* should inventory their projected needs for the next five years across all services and infrastructure, and share that information with counties, COGs, and neighboring communities on a recurring basis, with an invitation to partner on service delivery and purchases.

*CMAP, MPC, COGs, and counties* should provide technical assistance to connect lower capacity municipalities with partnership opportunities.

*Neighboring municipalities* should work together to adopt more uniform processes and regulations for common activities to better facilitate the use of shared services or staff.

### ***Explore consolidation of governments and services***

Consolidating services into a larger entity (such as a county), or a new entity, offers potential for saving costs and increasing capacity. In addition, local governments that are already sharing services, implementing infrastructure projects together, or engaging in joint contracts have proven that they are capable of working together. Where there is interest by residents and civic leaders, adjacent local governments with extensive existing partnerships, similar tax bases and services levels, or limited potential for growth may benefit from consolidating or governments. Overlapping units of government -- such as municipalities, townships, or special districts with existing partnerships or complementary services -- should also consider consolidation when local interest exists.

Increased consolidation also requires action at the state level. The State has made several statutory changes over the years that allow some local governments to consolidate. However, the region requires additional statutory, programmatic, and funding resources to initiate studies and ameliorate near-term tax inequities that could prove a barrier to an otherwise beneficial consolidation.

*Counties and COGs* should coordinate with municipalities and special districts to identify opportunities and assess the potential benefits of consolidated services to enhance service delivery and achieve cost savings.

*CMAP, MPC, MMC, the State of Illinois, and other partners* should conduct an assessment of the region's experience in consolidated services, as well as best practices from other regions.

*Community water suppliers* should explore shared investments and consolidation of services.



*Local governments* should explore opportunities to consolidate.

*The State* should approve legislation that facilitates local government consolidation.

### ***Plan for and fund annexation of developed, unincorporated areas***

In developed, unincorporated areas, many services are provided by counties, leading to inefficiencies and high costs in some areas. Encouraging the annexation of these neighborhoods and commercial districts by adjacent municipalities, however, is not without challenges. Many residents prefer to remain in an unincorporated area, in part due to differences in local regulations. In addition, many of these areas would require significant infrastructure improvements to meet municipal standards. Planning and securing funding for these infrastructure improvements is a key step in encouraging municipalities to annex these areas. Because their residents and businesses in will play important decision-making roles, their concerns must be addressed in any annexation process.

*Municipalities* should form boundary agreements with neighbors, periodically study the benefits and costs of annexation, maintain dialogue with their counties, and annex adjacent unincorporated neighborhoods where desired and appropriate.

*Counties* interested in pursuing annexation of unincorporated areas by municipalities should develop a plan and commit resources to make infrastructure improvements in unincorporated areas appropriate for annexation.

*CMAP* should help counties and municipalities plan for annexation of developed unincorporated areas.

### **Coordinate infrastructure operations and maintenance**

The region's transportation, water, and other infrastructure extends across multiple jurisdictions, requiring collaboration to ensure a well-functioning system and maximize public investments. Collaborating on infrastructure allows the region's communities to deliver vital services, resulting in capital cost savings and lower operational costs through economies of scale. It can also benefit municipalities that lack the capacity to independently host an infrastructure project. And capital projects that combine transportation elements with water or wastewater improvements can better leverage limited capital funds. Municipalities in the region often already share infrastructure or collaborate on joint or aggregated projects. One current example is the Cal-Sag Trail, where a group of municipalities along the Cal-Sag Channel collaborated with other public and private partners to construct a 26-mile trail using more than \$35 million in federal, state, municipal, and private funds. This approach can work on a smaller scale as well.<sup>234</sup>

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<sup>234</sup> Friends of the Cal-Sag Trail, <https://www.calsagtrail.org/>.



[GRAPHIC TO COME: A rendering showing a project that combines transportation, water, and other infrastructure improvements.]

Another challenge in delivering capital projects and improving highway system performance is disruption resulting from construction. Coordination of projects across transportation agencies, water and wastewater infrastructure providers, and utility companies could reduce the frequency and duration of construction on rights of way and potentially decrease costs, reduce driver delays, and improve safety. In addition, schedule delays during road construction projects caused by the presence of utilities can impose significant cost increases. Often utility infrastructure -- including publicly or privately owned communications, electricity, gas, water, or other lines or equipment -- is located in the transportation facility right of way and must be relocated or removed during construction. Coordination with utility companies is important to avoid construction delays.<sup>235</sup>

For day-to-day highway operations, effective coordination can reduce the need for costly roadway expansion by making the most efficient use of the existing system. The highway system is most effectively managed when coordination goes beyond an individual operating agency.<sup>236</sup> Establishing real-time communication and operational agreements between highway agencies, emergency management services, transit operators, and traveler information services can improve transportation system safety and reliability, and reduce congestion. The following chart provides an overview of the region's highway operations system, which could benefit from increased coordination.

[GRAPHIC TO COME: Illustration highlighting opportunities for highway operations to be coordinated across entities]

*The following describes strategies and associated actions to implement this recommendation.*

### **Partner with other units of government to deliver infrastructure projects**

Improved coordination can speed up the construction and maintenance of infrastructure, reduce the number of times that roadways must be reconstructed, and improve system reliability. Transportation departments should partner with one another as well as with other entities that implement infrastructure projects. Project coordination could include jointly delivering single infrastructure projects or aggregating infrastructure projects across boundaries to increase cost efficiencies or financing options. This could also simply mean replicating existing efforts like the Chicago Project Coordination Office to coordinate across entities that

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<sup>235</sup> Chicago Metropolitan Agency for Planning, "Policies to improve coordination between utilities and transportation agencies," October 14, 2016, [http://www.cmap.illinois.gov/documents/10180/587538/Utility+coordination\\_v4.pdf/2418b237-69d1-4318-bdd6-35d232f3ed27](http://www.cmap.illinois.gov/documents/10180/587538/Utility+coordination_v4.pdf/2418b237-69d1-4318-bdd6-35d232f3ed27).

<sup>236</sup> Chicago Metropolitan Agency for Planning, *Highway Operations*, February 2017, <http://www.cmap.illinois.gov/documents/10180/517371/Highway+Operations+Strategy+Paper/26cff0fc-876a-4843-9fe5-c9aedbf73ddd>.



maintain roadways, water infrastructure, and utilities to reduce the number of times underground improvements must be made.

### ***Improve utility coordination***

Greater coordination with utility companies is necessary to reduce delays on transportation project engineering and construction. Construction-related delays in particular can impose significant cost increases for transportation projects. Better data is needed on detailed utility location information, and a database of detailed utility location information in a secure format should be developed by infrastructure owners and housed at IDOT. The City of Chicago is already working to collect this data during construction activities for future project planning. To improve coordination, counties should reinvigorate their utility coordination councils. Moreover, the State of Illinois should consider updating the statutes that govern utility coordination regulations.<sup>237</sup>

*Utility companies, IDOT, and other infrastructure owners should develop a detailed utility location database.*

*Counties should use their utility coordination councils in a more effective manner.*

*The State should make the statutes that govern utility coordination regulations more effective.*

### ***Enhance cooperation to improve roadway operations***

To improve system reliability during emergencies, roadway agencies and emergency response agencies must work together to establish goals, objectives, strategies, and intergovernmental agreements that improve operations of the region's roadway system. Strategies could include ensuring communication is automated between agencies, sharing data and information, improving policies, and establishing necessary agreements between agencies.

*The Tollway should work with IDOT to expand their effective incident management procedures across the expressway system.*

*The State should require 911 call centers to work with road system operators on establishing automated information exchange and data sharing.*

*The region should collaborate to establish a system of secure, high-capacity data infrastructure region-wide with sufficient redundancy to ensure uninterrupted*

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<sup>237</sup> Chicago Metropolitan Agency for Planning, "Policies to improve coordination between utilities and transportation agencies," October 14, 2016, [http://www.cmap.illinois.gov/documents/10180/587538/Utility+coordination\\_v4.pdf/2418b237-69d1-4318-bdd6-35d232f3ed27](http://www.cmap.illinois.gov/documents/10180/587538/Utility+coordination_v4.pdf/2418b237-69d1-4318-bdd6-35d232f3ed27).



communication, to operate roadways more efficiently, and to take advantage of future vehicle technology.

*IDOT* should implement a regional traffic management center that includes arterials.

*Transit management centers and highway management centers* should establish routine and automated information exchanges.

### ***Highway system operators should share traffic management resources***

Opportunities to share resources should be identified and implemented by highway system operators. For example, communications infrastructure and automated messaging could be coordinated to streamline delivery of information and protect against failures by ensuring redundant, fail-safe systems. Traffic management center hardware and software could also be shared among highway operating agencies, allowing use from remote locations and limiting maintenance activities to a single location with fewer computers. And shared staff would allow traffic management centers to be operated 24/7 at reduced expense. These various forms of coordination could lead to improved service delivery, with cost savings that free up funds for enhancing or expanding the management systems.

*CMAP* should fund a study of the costs and benefits of implementing a regional, multijurisdictional traffic management center, either virtual or traditional.

*IDOT and counties* should collaborate to establish a regional arterial management center.

### ***Integrate local goals with roadway regulations***

Roadway design requirements that prioritize capacity over other goals can help or impede the ability to implement modern best practices like complete streets or innovative practices such as stormwater management. State and county roadway design requirements, as well as associated processes to approve changes, can greatly affect how local governments and transportation agencies are able to pursue their comprehensive goals for transportation, land use, and the environment. As communities in northeastern Illinois consider how to improve their bicycle and pedestrian facilities, improve truck access and routing, and meet other ON TO 2050 transportation priorities, it will be increasingly important for other roadway jurisdictions to strengthen relationships to achieve these goals.

*IDOT and counties* should work with communities to implement local goals for the transportation system, such as increased bicycle and pedestrian resources, improved truck access and routing, and other ON TO 2050 priorities.

*IDOT* should revise design manuals to better integrate modern best practices.



## Capacity to provide a strong quality of life

Governments' ability to achieve goals is essential to the advancement of our region as a whole. Too often, however, public revenues are insufficient to deliver services, maintain infrastructure, and fill other essential government functions. Proficient local staff and officials -- with skills maintained through professional development and training -- are essential for their units of government to undertake important initiatives and to complete projects. A sustained commitment to building capacity -- revenues, skills, and technical resources -- will bolster local government's ability to meet residents' needs, implement community plans, and achieve ON TO 2050 objectives.

## Develop tax policies that strengthen communities and the region

The region needs a tax system that provides ample opportunity for local governments to generate revenue that supports their plans, goals, and desired development patterns. Under the current tax structure, communities without sales tax generating businesses or dense commercial development often have few revenue options sufficient to cover the cost of public services and infrastructure.<sup>238</sup> To further promote retail, some local governments limit space for development that does not generate sales taxes or other major revenues. For example, some communities exclude non-sales tax generating businesses from commercial areas. These choices reflect local preferences, but have large effects on the region's built environment and ability to support economic activity at the regional scale. While often producing lower revenues, office and industrial development provide support for industries ranging from manufacturing, to goods movement, to business services, to corporate headquarters. Many communities aspire to promote these regionally beneficial industries, but current tax structures do not always offer options for municipalities to recoup the costs of these developments. For example, manufacturing facilities often produce little property tax revenue and generate truck traffic that imposes high wear and tear on local roads.

[GRAPHIC TO COME: An infographic explaining the interaction of local fiscal impacts, regional economic impacts, and development outcomes.]

Tax policies have a broad impact on the ability of local jurisdictions to provide services and keep infrastructure in a state of good repair. Individual municipal revenues depend on land use mix, size of the tax base, and state and local tax structure. Local policies on and willingness to match fees and taxes to service costs also play a role. For example, DuPage County consistently implements user fees such as development impact fees and a county-wide MFT. Costs grow from a combination of interrelated factors: locally defined needs, the amount and condition of infrastructure, and long-term debt and obligations.

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<sup>238</sup> Chicago Metropolitan Agency for Planning, "Tax Policies and Land Use Trends," March 2017, <http://www.cmap.illinois.gov/documents/10180/517351/Tax+Policy+and+Land+Use+strategy+paper/30b90429-1af9-4903-ad29-b75ed1dc94e0>.



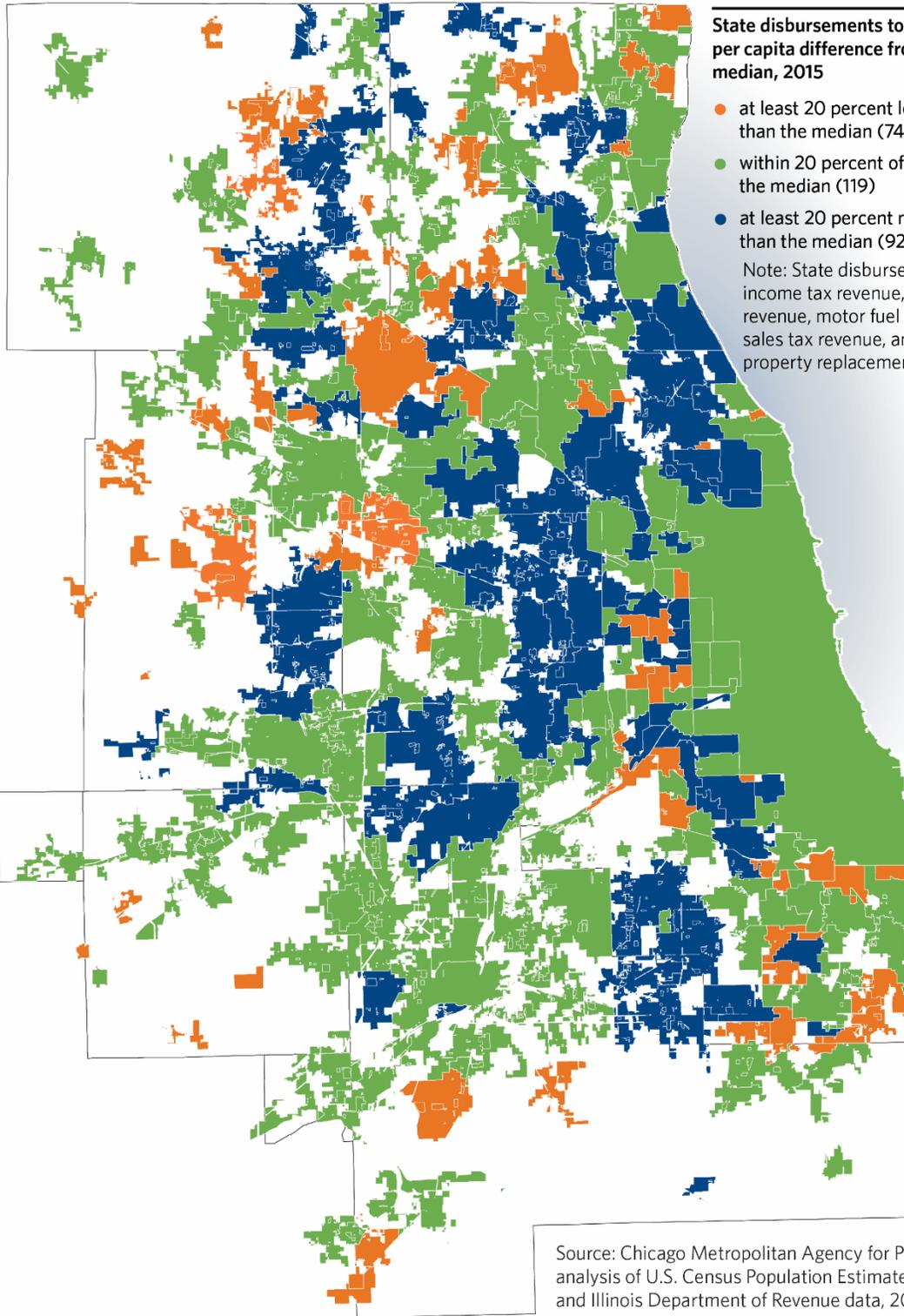
ON TO 2050 sets a target for reducing the number of municipalities that receive comparatively low levels of state revenues. State statutory criteria for revenue disbursements, like sales or motor fuel taxes, can create wide divergence in revenues among municipalities.<sup>239</sup> State criteria to distribute funds to local governments vary from population, to retail sales, to lane miles, to other factors. These criteria do not take into account municipalities that may have a very low tax base compared to costs for basic services, nor do they account for infrastructure condition.<sup>240</sup> In addition, the state's own financial situation has caused local governments to experience reduced funding and increased uncertainty. State funds play a crucial role in local government budgets, but the State has not modernized its tax system nor developed a long-term plan to pay for its obligations. The following map illustrates the differences in state revenues distributed to municipalities in 2015. ON TO 2050 envisions that all municipalities will receive these state funds at levels greater than 80 percent of the regional median level by 2050.

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<sup>239</sup> Chicago Metropolitan Agency for Planning, **PLACEHOLDER FOR POLICY UPDATE**

<sup>240</sup> Chicago Metropolitan Agency for Planning, "Evaluation of State Transportation Revenue Sharing with Local Governments," 2014, [http://www.cmap.illinois.gov/updates/all/-/asset\\_publisher/UIMfSLnFfMB6/content/evaluation-of-state-transportation-revenue-sharing-with-local-governments](http://www.cmap.illinois.gov/updates/all/-/asset_publisher/UIMfSLnFfMB6/content/evaluation-of-state-transportation-revenue-sharing-with-local-governments).





Communities with a low tax base and limited options for increasing revenue often face a sustained or recurring cycle of disinvestment. Many areas with lower tax disbursements overlap with EDAs, which perpetuates inequities and reduces opportunities for people and places to thrive. Achieving regional growth that includes EDAs may hinge on their residents and businesses having access to programs and services that many communities sometimes take for granted. Communities where revenues are low relative to their needs may struggle to fund municipal operations and infrastructure without imposing high tax rates, which further discourage commercial and residential development and cause the local tax base to grow more slowly than the cost of public services.<sup>241</sup> This cycle of disinvestment is self-reinforcing and also drives the adoption of high tax rates that can be a significant burden on low income residents.

In Cook County, property tax classification is an additional factor that drives up commercial and industrial property tax rates, hurting disinvested communities in particular. This may discourage business investment in Cook County in favor of opportunities elsewhere. By using a higher assessment ratio for businesses than residences, this system allocates a higher share of the property tax burden to businesses -- a policy that does not exist in the collar counties -- deterring reinvestment and hindering resulting growth in the property tax base. In many communities, high commercial and industrial tax rates present a barrier to attracting development, even when infrastructure and infill opportunities are plentiful. By reforming its classification system, Cook County could grow the tax base over time and reduce the tax burden on residents, mitigating potential increased residential rates.<sup>242</sup>

Regionally, the current tax system does not always support the multijurisdictional nature of many industrial and office employment areas, which often cluster geographically and cross jurisdictional lines.<sup>243</sup> The infrastructure that serves these centers can extend through many communities and is maintained by a complex web of jurisdictions. The region's municipalities need additional tax structure and transportation funding options to support the service and infrastructure needs of these locally and regionally desired land uses. Additionally, the growing prevalence of internet sales may increase truck traffic on the entire roadway system, including roads serving warehousing and distribution businesses, and residential customers receiving deliveries.

Local governments do have options to better support their communities through local action, particularly through imposing user fees to support specific services and infrastructure. Since

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<sup>241</sup> Chicago Metropolitan Agency for Planning, Municipal Capacity, November 2017, [http://www.cmap.illinois.gov/documents/10180/794571/Municipal+Capacity+Strategy+Paper\\_November+2017.pdf/923744b1-951a-ce16-609e-724c9e260fb7](http://www.cmap.illinois.gov/documents/10180/794571/Municipal+Capacity+Strategy+Paper_November+2017.pdf/923744b1-951a-ce16-609e-724c9e260fb7).

<sup>242</sup> Chicago Metropolitan Agency for Planning, "Property tax burden in the Chicago region," 2017, [http://www.cmap.illinois.gov/updates/all/-/asset\\_publisher/UIMfSLnFfMB6/content/property-tax-burden-in-the-chicago-regi-2](http://www.cmap.illinois.gov/updates/all/-/asset_publisher/UIMfSLnFfMB6/content/property-tax-burden-in-the-chicago-regi-2).

<sup>243</sup> Chicago Metropolitan Agency for Planning, "Freight land use clusters in northeastern Illinois," 2016, [http://www.cmap.illinois.gov/updates/all/-/asset\\_publisher/UIMfSLnFfMB6/content/freight-land-use-clusters-in-northeastern-illinois](http://www.cmap.illinois.gov/updates/all/-/asset_publisher/UIMfSLnFfMB6/content/freight-land-use-clusters-in-northeastern-illinois).



2013, for example, Downers Grove has generated revenue for stormwater improvements by imposing a fee weighted toward properties that have the greatest impact on that system.

Finally, the State of Illinois has not taken steps to modernize the tax system for current technologies and economic patterns. Its reliance on MFTs to fund the Illinois transportation system is becoming outmoded as vehicle efficiency improves and fuel consumption drops. Illinois also has a narrow sales tax base focused on tangible goods and few services, which is inefficient in an economy with increasing market demand for consumer services. See the *Fully fund the region's transportation system* recommendation in the *Mobility* chapter for a discussion of the potential to reform the sales tax to support the RTA sales tax as well as local governments.

This recommendation also appears in the *Community* chapter.

*The following describes strategies and associated actions to implement this recommendation.*

### ***Develop new funding solutions to support the multijurisdictional nature of development and infrastructure***

The state and region should evaluate and pursue revenue sources, infrastructure cost sharing, realignment of existing revenues, and tax policy shifts that take into account the multijurisdictional nature of retail, office, and industrial development. Movement of goods and people that supports the region's economy must efficiently traverse multiple municipal boundaries and transportation networks. Yet many impediments could be surmounted, for example, through dedicated funding for local truck routes, tax base sharing to support retail agglomerations, prioritizing funding for improving commute options, increased local contributions for some infrastructure expansions, and other options. This work should build on CMAP's and partners' growing understanding of asset management, fiscal impacts, and subregional and regional markets to identify innovative revenue solutions or better align existing revenues to support infrastructure needs.

### ***Reform tax policies to sustain economically beneficial land uses and support local infrastructure***

CMAP should continue to facilitate a regional perspective on the interaction of tax policy, land use, the economy, and successful communities. Assistance for local jurisdictions to improve planning processes and coordination can help, but it does not address systemic issues. Via policy changes such as phasing out assessment classification in Cook County, broadening the sales tax base, changing state revenue sharing disbursement criteria, and identifying new options to support office and industrial development, a reformed tax system could reduce market distortions and better support desired development and goals of the region's communities, even in the face of a changing retail landscape.

*The State of Illinois* should expand the sales tax base to additional services in a manner that helps communities create a more balanced land use mix, improves horizontal



equity, minimizes economic distortions, and mitigates the cascading nature of sales taxes.

*Cook County* should phase out the property tax classification system to reduce commercial and industrial properties' current burden, which deters development and creates pressure for higher taxes overall.

*The State of Illinois* should reform state revenue sharing disbursement criteria to reduce wide divergences across municipalities and allow each municipality to support its own desired mix of land uses.

*CMAP* should coordinate with partners to promote tax policy changes to support better land use outcomes, including to conduct public education as well as legislative outreach.

*The State* should engage in fiscally sustainable practices to ensure a stable business climate and guarantee the reliability of state support to the region, including for local governments, transit agencies, and nonprofit service providers.

### ***Local governments should implement user fees***

User fees and full cost pricing can help communities recoup the cost of providing road, parking, water, sewer, and other infrastructure. User fees should build on asset management, capital improvement planning, and other initiatives to ensure that infrastructure spending is a high priority to meet local needs and provide the strongest benefits. Among the region's many examples of user fees and full cost pricing, some communities are addressing the increasing costs of stormwater management with dedicated taxes, stormwater utility fees, or special service areas. Similarly, a number of communities have used CMAP's LTA program to plan for and price their parking garages and metered spaces, making more effective use of tangible and fiscal assets.

All public utilities should adopt full cost pricing so they can sustainably fund operations and ongoing maintenance. While some local governments may choose to discount some services to meet local priorities, instead matching revenues to the cost of services will help the region's communities achieve stable funding and greater resilience. These initiatives should provide options that account for the affordability needs of lower income residents.

*Local governments* should develop stormwater utility fees to assess the true cost of stormwater infrastructure and improve flood control infrastructure.

*Local governments* should implement user fees to fund transportation infrastructure improvements, such as local MFTs or fees to address freight needs.



*The State* should approve statute changes that allow non home rule governments to impose additional types of user fees

*Local governments* should assess infrastructure costs to calibrate fees and taxes on development, parking, water, sewer, and other needs, both to cover current expenses and to create stable funding for the long term.

*Local governments* that face significant affordability barriers to full cost pricing of water, and other utilities should consider consolidating services with a neighboring community to reduce overall costs and provide options for low income residents.

### ***Increase the motor fuel tax and replace with a vehicle miles traveled fee***

Of the many states that have enhanced their transportation revenues in recent years, most enacted a MFT increase. The State of Illinois should increase its MFT by at least 15 cents in the near term and index the overall rate to an inflationary measure to offset the long decline in purchasing power of the current 19-cent rate that has been in effect since 1990. Similarly, the federal gas tax, set at 18.4 cents per gallon in 1993, should be increased and indexed to an inflationary measure, improving solvency of the federal Highway Trust Fund without requiring non-transportation revenue infusions.

However, the MFT no longer reflects the way people travel or the many types of vehicles on the road. Fuel efficiency has increased, which erodes revenue despite its environmental and consumer benefits, and projections suggest electric vehicles will become a much larger part of the fleet. Over the long term, then, the state and the federal government should replace their MFTs with a mileage-based user fee that taxes actual use of the system, as with a fee for vehicle miles traveled (VMT). Drivers already pay per mile under the current MFT, but the rate just varies based on the vehicle's fuel economy. For the Illinois MFT, instituting a fee of 2 cents per mile and indexing it to an inflationary measure would provide a sufficient, stable revenue source.

This revenue source would benefit from a streamlined national solution that allows each state to collect VMT fees from out-of-state drivers. In implementing a new revenue source, the state should also take the opportunity to lower the burden on lower income drivers by integrating measures not available in the current MFT structure. This strategy also appears in the *Mobility* chapter under the recommendation to *Fully fund the region's transportation system*.

*The State of Illinois* should increase the MFT by at least 15 cents per gallon and index the overall rate to an inflationary measure.

*The State of Illinois* should begin necessary steps, including implementing pilot projects, to replace its MFT with a VMT fee of at least 2 cents per mile indexed to an inflationary measure.



*The federal government* should increase the federal gas tax rate, index it to an inflationary measure, and in the long-term replace it with a mileage-based user fee such as, for example, VMT.

*The federal government* should work with states to develop a national solution to implementing VMT fees at the state level.

*The State of Illinois* should explore innovative mechanisms and technologies to efficiently collect VMT fees, including potential private-sector collection.

## **Build local government capacity**

Local governments play an essential role in developing and implementing community goals for the future. Cumulatively, such choices shape quality of life for all residents, help our economy thrive, and determine whether additional regional goals are met. Thus, municipalities and other local governments are the front line for implementing ON TO 2050 through local plans, regulations, infrastructure investments, programs, and services. Many of these groups act with limited staff and funds, however, or may not have the knowledge, training, or technical resources to achieve their goals and support a favorable quality of life. Leaders throughout the region should champion efforts to build local capacity that helps municipal staff and officials, community organizations, nonprofits, and others to govern their vital day-to-day decisions. Efforts to build capacity are broad and range from training and building technical knowledge, to ensuring sustainable funding, to networking and enhancing partnerships to share resources.

Training for staff as well as elected and appointed officials has significant benefits. Local planning and governance are increasingly challenged by fiscal and staffing constraints, which require strengthening public services even while reducing their costs. Capacity building trainings can help stretch local governments' resources by enhancing expertise despite dwindling staff and increasing responsibilities. While many of the professional organizations present in the region do an excellent job providing continuing education for existing staff and specialists, new staff or newly elected or appointed officials need opportunities to learn about fundamentals and best practices. This is most critical for issues such as municipal operations, public administration, planning topics, and economic development.

Some local governments are not able to offer or fund ongoing trainings, which is especially challenging due to frequent turnover of elected and appointed officials. An ON TO 2050 indicator to track the percentage of municipalities within the region that arrange for training of their appointed officials is under development, beginning with baseline data established via CMAP's 2018 Municipal Plans, Programs, and Operations Survey.

It is often a challenge for municipalities -- especially those without adequate staffing -- to allocate resources for special projects, plan implementation, and other capacity building activities. In such cases, they may require targeted assistance to build new processes and grow



available resources. ON TO 2050 implementation will require technical assistance and strategies for building capacity, with a focus on each community's need for expertise and systems that promote resilience and growth.

Building capacity in the communities of northeastern Illinois will help improve local quality of life and create greater economic opportunity. For this reason, efforts to strengthen EDAs and disinvested areas are especially important to support inclusive growth, which will benefit those communities and the regional economy as a whole.

Other implementers also provide important technical assistance that builds capacity. Some counties, for instance, take an active role in municipalities with less capacity. The Invest in Cook program provides technical and financial assistance for local projects in disinvested areas that align with the county's long-range transportation plan. It takes a coordinated approach by identifying performance-based transportation investment opportunities, then leveraging Cook County government to help local governments and ensure successful implementation. This approach can be replicated by other counties for high-priority infrastructure projects in lower capacity municipalities and for coordination of projects spanning multiple jurisdictions.

*The following describes strategies and associated actions to implement this recommendation.*

### **Build on successes of the Local Technical Assistance (LTA) program**

Currently, CMAP's LTA program provides technical assistance to local governments, nonprofits, and intergovernmental organizations to address local issues at the intersection of transportation, land use, and housing and advance the principles of the region's comprehensive plan. Since its creation in 2011, the program has completed nearly 200 projects, including comprehensive plans, neighborhood plans, bicycle and pedestrian plans, parking management studies, ordinance updates, and sustainability plans. Augmenting current LTA approaches with greater attention to capacity building activities will help project partners achieve local plan goals and implement ON TO 2050 recommendations. In particular, communities with lower capacity may need assistance beyond what CMAP currently offers.

To help lower capacity communities remove barriers to implementation of local and regional goals, CMAP can leverage LTA resources and partnerships. For example, many local governments lack connections with critical nonprofit, government, and private sector implementers that have relevant expertise, authorities, and other required resources. Yet making these connections can strengthen planning efforts, establish enduring partnerships, and help ensure implementation. Trainings, workshops, and other follow-up assistance can also support implementation by familiarizing plan partners with key objectives and clarifying the roles of staff and officials for specific actions.

Without clear guidance and assistance from CMAP, ON TO 2050 will not be implemented by local governments. Providing materials that clearly communicate the local applicability and



implementation potential of ON TO 2050 recommendations will help develop local expertise while advancing regional goals. Such guidance may, in part, be built from ON TO 2050's Local Strategy Maps, which translate the plan's broad regional recommendations into community-level actions. For example, the Regional Urban Flooding Susceptibility Index illustrates areas at higher risk of flooding in the region, but communities may need guidance on how to incorporate it into local planning efforts. MPOs in other regions have created programs to help partners implement regional plan goals at the local level, assisting municipalities in the short term while building long-term capacity.<sup>244</sup>

*CMAP* should build implementation-focused workshops and trainings into LTA projects and strengthen partner connections to critical implementers during each local planning process to build capacity and prepare communities to accomplish their goals.

*CMAP* and partners should continue to provide technical assistance to lower capacity communities, and develop new ways to build their capacity over time.

*CMAP* should coordinate with partners to provide supplemental planning staff for local governments with limited or no planning staff to help with program activities determined in consultation with each municipality, after determining their priorities and needs.

*CMAP* should partner with other entities such as professional organizations, universities, and civic organizations that can access and provide professional expertise to assist with the full set of resources required to build capacity, such as legal, accounting, and finance advisement necessary for consolidations and certain intergovernmental agreements.

*CMAP* should create topical ON TO 2050 implementation guidance materials and pair them with trainings and workshops for local government staff and officials.

### ***Build municipal, nonprofit, and private sector capacity***

Addressing the myriad of challenges in disinvested communities requires concentrated, comprehensive resources. While investment and assistance from state and regional entities are critical to forge a new path for disinvested communities, building the capacity of communities, institutions, businesses, and residents of disinvested areas can sustain long lasting change. Lack of staff, funding, technical knowledge, and other resources can limit the ability of municipalities with a high proportion of disinvested areas to interrupt the cycle of disinvestment or meet their economic and quality of life goals.

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<sup>244</sup> For examples, see: Delaware Valley Regional Planning Commission, "Municipal Outreach Program," <http://www.dvrpc.org/MunicipalOutreach>.



Capacity building is also required for the private sector. Small businesses in low market areas could benefit from education on and connections to educational and financial resources. Creating a pipeline of local developers and business owners is also important. Beyond large scale, national firms, few developers have the requisite combination of skill, interest, and capacity to build projects in disinvested areas. Given this, the region needs more programs like the Chicago Urban League's Chicago Contractor Development Program (CCD) or the Community Housing Development Organization (CHDO) set-aside in the HOME Program to grow and strengthen small-scale developers and contractors.<sup>245</sup> Many mission-driven affordable housing developers -- like Preservation for Affordable Housing (POAH) or Hispanic Housing Development Corporation -- also provide capacity-building opportunities for smaller firms by intentionally including emerging firms and subcontractors in their projects. This strategy also appears in the *Community* chapter, under the recommendation to *Invest in disinvested areas*.

*CMAP and partners like the Federal Reserve Bank of Chicago* should work to bring banks and lending institutions together with municipalities to ensure that weak market communities have access to capital and financial services that support economic development.

*Local governments* should build relationships with financial institutions to access the resources they provide under the CRA.

*Local governments* should build their expertise about available capital and financial resources, develop a plan to attract those resources, and help businesses and residents to apply for these resources.

*CDCs, nonprofit housing developers, and larger municipalities* should progressively employ and cultivate smaller scale, minority and women-owned businesses to build their capacity.

*Foundations and advocacy groups* should continue to explore grants and other funding opportunities to help small-scale developers bridge funding gaps.

*CMAP and partners* should target technical assistance, trainings, and other assistance to municipalities in low income or low market areas.

### ***Provide professional development opportunities that increase the capacity of staff and officials***

Training and professional development for local government officials and staff is critical for attaining local and regional goals. Given the time constraints of public service and personal

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<sup>245</sup> Chicago Urban League, "Chicago Contractor Development Program," 2016, <http://www.thechicagourbanleague.org/page/463>.



lives, local government staff and officials often do not allot time and resources for professional development. Yet those who do regularly engage in continuing education are more familiar with best practices and more capable of providing and improving services. Training can be costly, but there are many strategies to provide effective training with limited resources. Training jointly based on geographic proximity or shared interests can reduce costs by using existing frameworks or gaining economies of scale. For example, if one county has a successful leadership training program for internal purposes, it could be expanded to include other local governments. Networking with peers is also important for sharing successful strategies, strengthening relationships that lead to partnerships, and leveraging conversations to improve communities.<sup>246</sup>

*CMAP* should collaborate with partners such as the Illinois Municipal League, COGs, the National League of Cities, and professional organizations to ensure ON TO 2050 topics are included in trainings for elected and appointed officials.

*CMAP, MPC, and MMC* should perform an inventory of available trainings relevant to local governments, identify topical or geographic gaps in coverage, and regularly engage training providers to collaborate and broaden networks of potential attendees.

*Local governments* should regularly schedule trainings for staff and officials, and seek to train jointly with other governments.

*Local governments* should create professional development plans for staff and officials and support completion of relevant training.

*COGs and counties* should engage community colleges to provide input on continuing education programs that serve the needs of government employees.

*Counties* should evaluate the potential to include municipalities and other local governments in their training initiatives or provide those trainings on a fee for service basis.

*CMAP, MMC, COGs, and partners* should encourage peer networking and host events that allow local government staff to coordinate efforts to achieve common objectives.

## Data driven and transparent investment decisions

Basing decisions at all levels of government on transparent practices that direct public investments based on performance goals and data helps extend limited public resources. The region has many needs, yet limited resources impair essential investments in infrastructure and

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<sup>246</sup> For more information on networking in other regions, see Mid-America Regional Council, "Local Government Services," <http://www.marc.org/Government/Local-Government-Services.html> and Delaware Regional Planning Commission, "Strategies for Older Suburbs Roundtable Series," <http://www.dvrpc.org/SOS/Roundtable>.



improvements to programs and services. Funding should be focused on those programs, services, and infrastructure that best achieve the region's goals. However, budget processes and infrastructure investment practices are not always set up for data-driven approaches, and data is not always available to utilize performance-based investment criteria.

## **Base investment decisions on data and performance**

The State of Illinois and local governments have been forced to stretch their resources to meet communities' and the region's needs. Constrained public resources require state and local governments to improve their financial and budget administration practices and develop innovative approaches to investment decisions. Yet investments are often predicated on arbitrary formulas rather than measures of need or impact. Funding and programming decisions based on performance often make better use of limited resources. These approaches identify performance goals, combining data analysis and stakeholder feedback to choose projects within a limited budget. Both quantitative and qualitative data, including that obtained through extensive public outreach, are important pieces of performance-based approaches.

Performance-driven investment builds on complete, accessible, standardized, and high quality data. Data provided by the U.S. Census Bureau and other federal agencies is crucial to understanding regional and local demographic and socioeconomic conditions. The data necessary to assess transportation system needs, such as freight and goods movement data and data from other private transportation providers, is often unavailable. In addition, significant work remains to gather asset condition data across transportation, water, stormwater, and other infrastructure. Similarly, hospital systems, universities, and public health departments routinely collect health data from target areas and specific populations. These data can often be rich but are rarely standardized across place or institution, limiting the ability of health practitioners to address health inequality among various population groups.

The extent of data available to manage assets has improved, but obtaining it can be costly. Many local governments are adopting asset management systems. These systems identify a structured sequence of maintenance actions to achieve a desired condition at a minimum cost, helping communities to optimize the timing and amount of infrastructure investment.<sup>247</sup> Asset management can be used to develop capital improvement plans or identify when additional revenue may be needed to maintain system condition.

While some local governments lack the capability to institute asset management, some progress has been made by roadway jurisdictions for pavement management systems.<sup>248</sup> Because of the

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<sup>247</sup> Chicago Metropolitan Agency for Planning, *Water Resources*, August 2017, [http://www.cmap.illinois.gov/documents/10180/71423/Water+Strategy+Paper\\_FINAL\\_+9-21-17.pdf/9e656004-e3c2-cbf7-de2e-3bb799a016ea](http://www.cmap.illinois.gov/documents/10180/71423/Water+Strategy+Paper_FINAL_+9-21-17.pdf/9e656004-e3c2-cbf7-de2e-3bb799a016ea); Chicago Metropolitan Agency for Planning, *Municipal Capacity*, November 2017, [http://www.cmap.illinois.gov/documents/10180/794571/Municipal+Capacity+Strategy+Paper\\_November+2017.pdf/923744b1-951a-ce16-609e-724c9e260fb7](http://www.cmap.illinois.gov/documents/10180/794571/Municipal+Capacity+Strategy+Paper_November+2017.pdf/923744b1-951a-ce16-609e-724c9e260fb7).

<sup>248</sup>Chicago Metropolitan Agency for Planning, "Transportation Asset Management Recommendations Memo," January 2017,



large scale of the assets and expenditures for roadways, implementing such systems is an important first step toward improving how governments manage capital assets.

State and local governments make a wide range of investments beyond physical infrastructure, many of which can benefit from transparent, data-driven programming. Such programs, including economic development incentives, should be based on outcomes and performance of the investments. Many economic development incentives, such as state and local tax abatements and credits, are provided without evaluating whether the provision of the incentive is in line with established goals. In addition, detailed information on such incentives is often unavailable, which prevents data-driven decision making.

*The following describes strategies and associated actions to implement this recommendation.*

### ***Use a data-driven, performance-based approach to making public infrastructure and service investments***

In an era of constrained resources, the State of Illinois and local governments need to ensure that investments in infrastructure and public services are based on their performance relative to established goals and targets, rather than on arbitrarily derived formulas. Since the passage of MAP-21, the federal government has also emphasized the importance of data-driven investment in transportation infrastructure. A performance-based approach has broader applications, such as for evaluating services to ensure that investments are in line with priorities. Yet agencies integrating performance-based processes may not always have data available to fully implement them. Specifically with regard to transportation, CMAP and the state can provide a variety of funding and technical resources to help local governments implement pavement management systems.

*CMAP, in collaboration with other implementers, should continue to advance a performance-based approach to programming STP-Local, CMAQ, and TAP.*

*The region should explore ways to improve the uniformity of data collection and analysis as part of asset management systems and to encourage increased data sharing.*

*Local governments should implement asset management systems to facilitate better-informed investment choices, such as systems to manage pavement condition or water infrastructure.*

*CMAP, with assistance from IDOT, should help local governments create asset management systems, starting with efforts to pilot local implementation of pavement management.*

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<http://www.cmap.illinois.gov/documents/10180/517091/AssetManagementRecommendations.pdf/d23d60e1-4092-cd58-f7e8-e1601d234f76>.



*The State, transit agencies, CMAP and other entities should program infrastructure funding based on performance, rather than by formula.*

***Support a modern census and other vital socioeconomic data collection activities***

Having access to rich data about the region and its residents was a critical part of ON TO 2050 development. CMAP, its partners, and many other public and private entities use data from the U.S. Census Bureau, as well as other federal agencies that collect and analyze demographic and socioeconomic data, to analyze strategies and policies that drive planning and investment activities. The federal government should ensure that its data collecting agencies are equipped with adequate resources and administrative capacity. Those federal agencies should continue to modernize their activities to provide access that is timely, thorough, and secure.

***Improve health data collection, analysis, and availability for evidence-based policies and decision making***

When properly collected and analyzed, high quality health data and metrics are important for reducing health inequities. One of the most regularly collected sources of primary health information across counties is the Behavioral Risk Factor Surveillance System (BRFSS) survey. The Illinois Department of Public Health administers the survey every two years and data is available at county level geographies. For a fee, local health departments can contract with the Illinois Department of Public Health to conduct a local version of the BRFSS or oversample at the community level. Oversampling this data allows more specific health data tracking in an effort to highlight and address health inequity among population groups. While such primary health data is valuable, so too are broadly agreed-upon indicators. Health partners in the region currently do not have a common health equity indicator. Ideally, such an indicator would be broken down by race/ethnicity, class, gender, and disability. Finally, local governments need help understanding how their policies and practices relate back to the identified health equity data and a regional indicator and monitoring the success of changes.

*County, municipal public health departments, and hospitals and health institutions, with philanthropic support, should contract for BRFSS oversampling.*

*CMAP and public health partners should develop a common regional health equity indicator/ index.*

*CMAP and public health partners should monitor the integration of health and health equity policies by local governments.*



### ***State and local governments should improve budget and financial administration practices***

Improved asset condition data can aid state and local governments' long-term financial planning. Local governments have an unmet need in the region for greater familiarity with financial management policies and land use choices that take a long-term perspective for improving resilience to difficult economic periods. A broad range of actors, including CMAP and its partners, can help build local expertise on recommended measures through materials and trainings. Partnerships with civic and professional organizations could be leveraged to develop trainings that build familiarity with best practices and assist with local application.

*State and local governments* should continue to improve budgeting practices to ensure they are transparent, data-driven, and fiscally sound.

*State and local governments* should implement practices such as short- and long-range financial forecasting to improve policies and decisions.

*CMAP and partners* should develop materials and trainings to help municipalities and counties understand how their land use choices affect local revenues.

*Civic and professional organizations* should provide expert guidance on best practices in budgeting and financial planning for government units to incorporate long-term perspectives and communicate effectively with stakeholders.

### ***Promulgate stronger standards for transparency and accountability of economic development incentives***

Proper evaluation of any program relies on two essential components: clear, relevant, ascertainable data, and internal procedures to assess outcomes and make decisions. The transparency of data and information on economic development incentives varies across metropolitan Chicago. Public agencies collect and publish a significant amount of non-proprietary information regarding incentives, but these data systems are often inadequate to determine an investment's effectiveness. In particular, disclosure standards can differ by the unit of government and the type of incentive, leaving information too fragmented or inconsistent to determine the total incentives going to a project. Regularly evaluating and publishing incentive data allows communities to make prioritized investments in their economic growth and long-term sustainability. Rather than extending incentives into perpetuity, the State of Illinois and local governments should pursue performance-based approaches to make decisions that extend, improve, or terminate incentives based on rigorous analysis. Such analysis should account for the incentive's full costs and benefits, progress in achieving its public purpose, and trade-offs relative to other government activities.

*The State of Illinois and local governments* should require a regular audit of all tax abatements, diversions, and credits for economic development.



*The State of Illinois and local governments should implement and maintain sunset provisions on all tax abatements, diversions, and credits for economic development, allowing periodic reevaluation.*

*The State of Illinois and local governments should make comprehensive data on incentives for economic development available and ensure that relevant, accurate, non-proprietary data can be reliably located, integrated, and analyzed.*

### ***Make the collection, sharing, and analysis of public and private sector transportation data a regional priority***

To make sound decisions, the region's transportation agencies require data from all elements of the network, whether public or private. This is especially important to better understand non-motorized, freight, and transit network companies (TNC) travel, each of which has been difficult to measure and analyze due to inadequate data. More frequent and detailed data on pedestrian and cyclist behavior could become available as sensing technology is increasingly deployed in public rights of way, and as private and public agencies analyze aggregated data from mobile devices and activity tracking apps. This might enable more efficient and accurate counts of cyclists and pedestrians as well as more complete inventories of the infrastructure they use. The region has greatly advanced its understanding of truck travel through the use of new data sources and monitoring systems, but similar information on rail movements -- particularly private systems -- is limited.

To understand rail performance, CMAP has made progress in collecting new data in recent years, but this data is aggregated to a high level that does not allow evaluation of potential rail projects. For tax dollars to be invested in private projects, private rail operators must demonstrate sufficient public benefits. Only with appropriate data from the freight rail industry -- including speeds, volumes, and reliability of freight trains along specific corridors and at key rail-rail crossings -- can this all-important analysis be conducted. Existing and emerging private providers have broad impacts on the transportation network, impacts that need to be part of investment decisions. Local governments and transit agencies should work with TNCs and other private transportation providers to obtain the data necessary to make sound decisions. With full respect for the right of private companies for their sensitive data to be kept secure, public decision makers have the obligation to assess whether limited taxpayer dollars are being invested wisely and to examine the public benefits and costs of these services' use of the public right of way. With a long record of safeguarding similarly sensitive data, CMAP will continue to play a major role in aggregating, normalizing, and sharing data as appropriate with regional stakeholders.

Public agencies also need to invest in their own data analysis, storage, and sharing capabilities. Such agencies, particularly lower capacity ones, might have difficulty collecting and managing transportation data as it increases in volume and complexity. Commercial services are



increasingly essential for data collection, analysis, and visualization, reducing public agencies' dependence on in-house expertise and potentially reducing costs, yet increasing their dependency on third-party tools and data providers. Public agencies should have the right to use, retain-- and when appropriate, share -- data collected by private sector sources on the behalf of public agencies or as a result of a public-private partnership. In turn, the public sector has its own valuable datasets, including system performance, conditions, and incidents. The public sector must carefully navigate competing mandates to provide open access to government data and protect the privacy of residents. This strategy also appears in the *Mobility* chapter under the recommendation to *Harness technology to improve travel and anticipate future impacts*.

*CMAP* should continue to play a leadership role in promoting responsible and regionally consistent data stewardship collection, analysis, and sharing among public sector partners including the City of Chicago, RTA, transit agencies, counties, and municipalities.

*The public sector* should identify ways to leverage provision of more detailed data and analysis to private companies while carefully protecting riders' privacy.

*Private sector partners* should share data that aids planning for transit, the road network and emerging mobility services.

*Municipalities and transportation agencies* should contractually require data sharing as a condition for private companies' access to public infrastructure (roadways, loading areas, etc.) or to subsidies.

*CMAP and partners* should improve region-wide data on bicycle and pedestrian infrastructure and travel patterns.

*Private rail partners* should provide substantive documentation of any data supporting the public benefits of CREATE projects and allowing assessment of potential rail improvements that could benefit passenger movements.

## **Improve access to public information through technology and transparency**

Access to information is necessary for effective discourse and accountable decision making by governments on the state, regional, and local levels. To guide important local decisions, stakeholders -- including residents and businesses -- need access to information about our region. However, existing public data may not always provide sufficient context for



stakeholders to interpret or analyze the information.<sup>249</sup> In addition, while data and analysis on state and local government appropriations and spending are crucial for understanding investments made in the region, such information is often not made available during budget approval processes.

Technology provides the best path to disseminate relevant data and information about the region and its communities to officials, community members, and other stakeholders. Improvements to technology can promote the use of best practices in transparency and help data management evolve. When scoping transparency efforts, it is important to consider who will actually use publicly accessible data and how users will use it.

Technology improvements will enhance local governments' ability to increase their capacity and achieve their goals. The return on investment for adopting new technology will vary across the region, particularly in areas with lower capacity to utilize it, but could introduce opportunities for consolidating or sharing services.

*The following describes strategies and associated actions to implement this recommendation.*

### ***Increase access to budget information and relevant analysis***

Providing analysis and other information is important to improve the transparency of budgetary and legislative processes. The State of Illinois, as well as counties, municipalities, and other local governments, should improve upon currently available financial and budget information.<sup>250</sup> The state and larger units of government with capacity to do so should provide greater access to such analysis throughout their budget processes -- along with policy and fiscal analysis of legislation -- to allow stakeholders to review and analyze the material.

### ***Leverage technological improvements to improve efficiency, service quality, and transparency***

Counties, transportation providers, and local governments often provide varying levels of data on services, infrastructure, taxes, public safety, traffic, and many other topics. In addition, CMAP provides some types of regional data through its data sharing hub, community data snapshots, and other tools. However, access to public information is often incomplete. New technology holds the potential to help local governments both improve their public services and provide for greater transparency.

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<sup>249</sup> Government Finance Officers Association, *Transparency: A Means to Improving Citizen Trust in Government*, 2018, [http://gfoa.org/sites/default/files/Transparency\\_April2018.pdf](http://gfoa.org/sites/default/files/Transparency_April2018.pdf).

<sup>250</sup> For more information on best practices, see: Barrett, Katherine and Richard Greene, "Beyond the Basics: Best Practices in State Budget Transparency," The Volcker Alliance December 2015, <https://www.volckeralliance.org/sites/default/files/attachments/Beyond%20the%20Basics%20-%20The%20Volcker%20Alliance.pdf>.



Yet many local governments lack the resources necessary to improve their technological capabilities or utilize existing technology. And for some types of data, the existence of many disparate data sources is not useful to meeting the goals of providing that data in the first place. Aggregated data about the region's communities could help with issues that rise above jurisdictional boundaries, such as businesses making development decisions or infrastructure investments.

*Local governments* should better leverage new technology, like mobile applications, reporting tools, and information systems, while continuing to modernize their processes as technology evolves.

*Civic and professional organizations* should convene local governments in the region to identify best practices around improving transparency and ensuring that public information is understandable and accessible.

*Local governments* that lack resources to obtain the newest technology should pool resources with other local governments.

*CMAP* should continue to provide and expand geographic information system (GIS) trainings and data analysis workshops to better support local government technical expertise.

*Counties and COGs* should consider create a data repository that houses data on their subregion's communities as well as the subregion as a whole.

*Counties and COGs* should work with economic development agencies, stormwater agencies, and other users to ensure that the aggregated data has applicability across purposes.



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The Chicago Metropolitan Agency for Planning (CMAP) is our region's comprehensive planning organization. The agency and its partners are developing ON TO 2050, a new comprehensive regional plan to help the seven counties and 284 communities of northeastern Illinois implement strategies that address transportation, housing, economic development, open space, the environment, and other quality-of-life issues.

ON TO 2050 is scheduled for adoption in October 2018.